

HEALTH SERVICES AGREEMENT

THIS AGREEMENT between York County Pennsylvania, (hereinafter referred to as the "County"), and PrimeCare Medical, Inc., a Pennsylvania corporation, (hereinafter referred to as "PCM"), entered into as of the _____ day of August 2006. Services under this Agreement shall commence on October 1, 2006.

WITNESSETH:

WHEREAS, the County is charged by law with the responsibility for obtaining and providing reasonably necessary health care for inmates of York County Prison (hereinafter called "Facility"); and

WHEREAS, the County desires to provide for health care to inmates in accordance with applicable law; and

WHEREAS, the County, which receives funding as approved by the County Commissioners for the Facility, desires to enter into this Agreement with PCM to promote this objective; and

WHEREAS, PCM is in the business of providing correctional health care services and desires to provide such services for the County under the terms and conditions hereof,

NOW, THEREFORE, in consideration of the covenants and promises hereinafter made, the parties hereto agree as follows;

ARTICLE I: HEALTH CARE SERVICES

1.1 General Engagement. The County hereby contracts with PCM to provide for the delivery of reasonably necessary health care as set forth herein and in accordance with the PCM Proposal of July 10, 2006 (hereinafter "Proposal" [Exhibit "A"]) and the County's Request for Proposal released June 12, 2006 (hereinafter "RFP"), all of which are incorporated herein by reference, to individuals under the custody and physical control of the County at the Facility, and PCM enters into this Agreement according to the terms and provisions hereof. Any discrepancy between this contract and the documents incorporated herein (i.e., Proposal and RFP) shall be resolved pursuant to the following order of preference: Contract, Proposal, RFP.

1.2 Scope of General Services. The responsibility of PCM to deliver reasonably necessary health care to an inmate commences with the booking and physical placement of said inmate into the Facility. PCM shall provide health care services for all persons committed to the physical custody of the Facility, unless excluded under Section 1.7. PCM shall provide, in accordance with NCCHC standards applicable federal and state standards and existing policies and procedures of Facility, and at its own cost, all professional medical, dental, (excluding in-patient psychiatric hospitalization) and related health care administrative services for the inmates, including a comprehensive health evaluation of each inmate following physical booking

into the Facility, regularly scheduled sick call, nursing care, regular physician and dentist visits to the Facility. PCM shall also arrange for hospitalization, medical specialty services, emergency medical care, and emergency ambulance services when medically necessary. Medical records management, pharmacy services management, administrative support services, and other services, all as more specifically described in the PCM Proposal shall also be provided. Additionally, staff employed by the County shall be provided with first-aid care within the Facility for injuries and/or illnesses only in an emergency.

1.3 Transportation. Where non-emergency (i.e., non life threatening) specialty care is required and cannot be rendered at the Facility, PCM shall make arrangements with the County for the transportation of the inmates. PCM shall, at its own cost, provide for qualified emergency (i.e., life threatening) ambulance transportation services for an inmate when medically necessary in connection with off-site emergency medical treatment. The provisions of this paragraph are subject to the provisions of paragraph 5.3 hereof.

1.4 Limitations on Responsibility for Costs. PCM shall be responsible for all medical and related costs as defined in this Agreement subject to the limits on catastrophic accident or illness under the terms set forth on page 19 of the County's Request for Proposal dated 12 June, 2006 (hereinafter "RFP"), said RFP being attached hereto as Exhibit B.

Should the cost of any care exceed the limits set forth on page 19 of the RFP, PCM shall continue to perform utilization/case management services to appropriately manage and limit the County's financial liability; however, PCM shall have no responsibility to pay the costs of any care exceeding the limits set forth on page 19 of the RFP. The limits shall be prorated in the event this Agreement terminates early.

PCM shall only provide off-site care to INS inmates as pre-approved by the INS/BICE. PCM shall have no financial responsibility for providing off-site care, medications or medical supplies to INS inmates. PCM will bill the cost of HIV/AIDS related medications, non-formulary medications and all other medications and treatment for the INS population to the INS.

1.5 Exceptions to Treatment. PCM will not be financially responsible for the cost of any medical treatment or health care services provided to any inmate prior to the inmate being formally booked and physically housed in the Facility. PCM will not be financially responsible for the cost of any medical treatment or health care services provided to medically stabilize any inmate presented at booking with a life threatening injury or illness or in immediate need of emergency medical care. An inmate shall be considered medically stabilized when the medical condition no longer requires immediate emergency medical care or outside hospitalization so that the inmate can be reasonably housed inside the Facility.

PCM will be financially responsible for off-site or specialty medical care services or medications for inmates resulting from injuries sustained from other inmates or from correctional officers, unless such injuries result from the negligent or intentional wrongful acts or omissions of the County, it's elected and appointed officials, correctional officers, or employees, or agents.

PCM will not be financially responsible for any costs incurred after an inmate is released from the County's custody. PCM will not be financially responsible for any care provided without their prior knowledge and approval.

PCM shall not be responsible for medical costs associated with the medical care of any fetus or infants born to inmate. PCM shall provide health care services to pregnant inmates, but health care services provided to an infant following birth will not be the responsibility of PCM. PCM shall not be responsible for the costs or furnishing of any abortions unless medically necessary.

PCM will assist in obtaining samples under court order, which are forensic in nature; however, PCM shall have no responsibility for processing such samples.

1.6 Change in Standard of Care or Scope of Services. The price in Section 8, below, reflects the scope of services as outlined herein and the current community standard of care with regard to health care services. Should there be any significant change in or modification of inmate distribution, standards of care, scope of services, cost of goods or services or available workforce pool that results in material increase in costs, the increased costs related to such change of modification are not covered in the Agreement and will be negotiated with the County.

1.7 Inmates Outside the Facilities. Health care services are intended only for those inmates in the actual physical custody of the Facility. This includes inmates in custody of the County in outside hospitals whose care is being managed by PCM. Such inmates will be included in the resident daily population count. Those in outside hospitals whose care is not being managed by PCM, shall not be the responsibility of PCM, nor shall such inmates be included in the resident daily population count.

Inmates on any sort of release or otherwise not in the physical custody of County, including, but not limited to, furlough, inmates temporarily released for the purpose of attending funerals or other family emergencies, inmates on escape status, inmates on pass, parole or supervised custody will not be included in the daily population count and will not be the responsibility of PCM with the respect to the payment or furnishing of health care services. Inmates who become ill or are injured while on release, including work release, will not be the financial responsibility of PCM if there is other insurance to cover the injury or illness. If there is no insurance or other payor, PCM shall provide necessary health care upon the inmate's return to the Facility; however, PCM's financial responsibility for costs relating to injuries and illnesses sustained while the inmate was on release or otherwise out of the County's physical custody shall be limited to \$2,000 in the aggregate per contact year for the entire population. Any costs in excess of the annual \$2,000 aggregate shall be the responsibility of the County. This relates solely to the costs relating to the particular illness or injury incurred while on such release or out of the County's physical custody. The cost of medical services for other illnesses and injuries will be the responsibility of PCM. Inmates on Work Release shall be included in the daily head count and shall be included in the population average used to calculate payment to PCM. The burden shall be on PCM to demonstrate that the injury or illness was sustained while the prisoner was on release or out of the County's physical custody.

Inmates will be required to sign an agreement in which they assume responsibility for arranging and paying for their own health services while on any sort of release furlough or out of the County's custody. Inmates in the custody of other police or other penal jurisdictions at the request of the County are likewise excluded from the population count and are not the responsibility of PCM for the furnishing or payment of health care services.

1.8 Elective Medical Care. PCM will not be responsible for providing elective medical care to inmates. For purposes of the Agreement, "elective medical care" means medical care which, if not provided, would not, in the opinion of PCM's Medical Director, cause the inmate's health to deteriorate to the point where definite harm is caused to the inmate's medical well being. Such decisions concerning medical care shall be consistent with general NCCHC standards applicable federal and state standards, policies or/and procedures of Facility. Any referral of inmates for elective medical care will be at the expense of the County and must be reviewed and approved by the County prior to provision of such services.

1.9 Pharmacy. As set forth in section 2, page 14 of the Proposal, PCM shall subcontract with Minnich's Pharmacy for the provision, dispensing and management of all pharmaceuticals in accordance with NCCHC.

1.10 Juvenile Detention Center. Services at the Juvenile Detention Center outlined at Section 5 of the Proposal may be activated by the County by giving PCM thirty (30) days notice in writing. Pricing, once activated shall be as outlined in Section 6, Page 1 of the Proposal.

ARTICLE II: PERSONNEL

2.1 Staffing. PCM shall provide medical, technical and support personnel as necessary for the rendering of health care services to inmates at the Facility as described in and required by this Agreement. The staffing plan at Section 3, Pages 2-4 of the Proposal includes the agreed-upon staffing pattern (45.9 FTE's) necessary to provide the health care services required by the Facility for inmate population of 2,200 – 2,300 inmates.

This staffing pattern is based on the assumption that there will be up to 2,300 inmates. Should the inmate population increase to a level greater than 2,300 inmates average daily population on a monthly basis, PCM will charge a variable cost per diem of \$1.59 to cover the incremental variable costs of providing services to this additional population (this does not reflect any additional staffing costs). Should the population drop below 2,200, County shall be entitled to a variable cost per diem credit of \$1.59. If the population goes above 2,300 and PCM requires additional staffing, or the population drops and PCM requires less staffing, the parties agree to negotiate in good faith necessary adjustments in staffing and contract price in order to serve the inmate population.

2.2 Licensure, Certification and Registration of Personnel. All personnel provided or made available by PCM to render services hereunder shall be licensed, certified or registered, as appropriate, in their respective areas of expertise as required by applicable Pennsylvania law.

2.3 Warden's Satisfaction with Health Care Personnel. If the Warden becomes dissatisfied with any health care personnel provided by PCM hereunder, or by any independent contractor, subcontractors or assignee, PCM, in recognition of the sensitive nature of correctional services, shall, following receipt of written notice from the Warden of the grounds for such dissatisfaction and in consideration of the reasons therefore, shall exercise its best efforts to resolve the problem. If the problem is not resolved satisfactorily to the Warden, PCM shall remove or shall cause any independent contractor, subcontractor, or assignee to remove the individual about whom the Warden has expressed dissatisfaction. Should removal of an individual become necessary, PCM will be allowed reasonable time, prior to removal, to find an acceptable replacement, without penalty or any prejudice to the interests of PCM.

2.4 Use of Inmates in the Provision of Health Care Services. Inmates shall not be employed or otherwise engaged by either PCM or the County in the direct rendering of any health care services. Subject to applicable federal, state and local law and upon prior written approval of the County inmates may be used by PCM in positions not involving the rendering of health care services directly to inmates.

2.5 Subcontracting and Delegation. In order to discharge its obligations hereunder, PCM will engage certain health care professionals as independent contractors rather than as employees. The County may request to approve such professionals, but approval will not be unreasonably withheld. Subject to the approval described above, the County consents to such subcontracting or delegation. As the relationship between PCM and these health care professionals will be that of independent contractors, PCM will not be considered or deemed to be engaged in the practice of medicine or other professions practiced by these professionals. PCM will not exercise control over the manner or means by which these independent contractors perform their professional medical duties. However, PCM shall exercise administrative supervision over such professionals necessary to ensure the strict fulfillment of the obligations contained in this Agreement. For each agent and subcontractor, including all medical professionals, physicians, dentists and nurses performing duties as agents or independent contractors of PCM under this Agreement, PCM shall provide the County proof, if requested, that there is in effect a professional liability or medical malpractice insurance policy, as the case may be, in an amount of at least one million dollars (\$1,000,000) coverage per occurrence and three million dollars (\$3,000,000) aggregate.

2.6 Discrimination. During the performance of this Agreement, PCM, the County, its employees, agents, subcontractors, and assignees agree as follows:

- (a) None will discriminate against any employee or applicant for employment because of race, religion, color, sex or national origin, except where religion, sex or national origin is a bona fide occupational qualification reasonably necessary to the normal operation of the contractor. Each will agree to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

- (b) In all solicitations or advertisements for employees, each will state that it is an equal opportunity employer.
- (c) Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting the requirements of this section.

ARTICLE III: ACCREDITATION

3.1 Obligation of PCM. PCM's services shall be provided in accordance with the standards promulgated by the National Commission on Correctional Health Care for Health Services in Facility. This obligation includes providing written reports, on-site reviews, preparation of forms and applications and attendance at NCCHC associated meetings as required by the Warden. PCM shall assure the areas over which it has control meet NCCHC requirements. PCM shall pay County \$50,000 should PCM fail to maintain NCCHC accreditation throughout the contract, if such failure is due to PCM.

ARTICLE IV: REPORTS AND RECORDS

4.1 Medical Records. PCM shall cause and require to be maintained complete and accurate medical records for each inmate housed in the facility who has received health care services during the term of this Agreement. Each medical record will be maintained in accordance with applicable laws, NCCHC standards and the County's policies and procedures. The medical records shall be kept separate from the inmate's confinement record. A complete legible copy of the applicable medical record shall be available at all times. A medical transfer sheet shall accompany each inmate who is transferred from the Facility to another location for off-site services or transferred to another institution. Medical records shall be kept confidential. Subject to applicable law regarding confidentiality of such records, PCM shall comply with the County's policy with regard to access by inmates and Facility staff to medical records. No information contained in the medical records shall be released by PCM except as provided by the County's policy, by a court order, or otherwise in accordance with the applicable law. PCM shall, at its own cost, provide all medical records, forms, jackets, and other materials necessary to maintain the medical records. A reasonable charge may be assessed to those not a party to this Agreement to whom copies of medical records are provided. All medical records are the property of the County.

At the termination of this Agreement, all medical records shall be delivered to and remain with the County. However, the County shall provide PCM with reasonable ongoing access to all medical records even after the termination of this Agreement for the purposes of defending litigation.

4.2 Regular Reports by PCM to the County. PCM shall provide to the Warden, on a date and in a form mutually acceptable to PCM and the County, monthly and annual reports relating to services rendered under this Agreement.

4.3 Inmate Information. Subject to applicable law, in order to assist PCM in providing the best possible health care services to inmates, the County will provide PCM with information pertaining to inmates that PCM and the County mutually identify as reasonable and necessary for PCM to adequately perform its obligations hereunder.

4.4 PCM Records Available to the County with Limitations on Disclosure. PCM shall make available to the County, at the County's request, all records, documents and other papers relating to the direct delivery of health care services to inmates hereunder. The County understands that many of the systems, methods, procedures, written materials and other controls employed by PCM in the performance of its obligations hereunder are proprietary in nature and will remain the property of PCM. Information concerning such may not, at any time, be used, distributed, copied or otherwise utilized by the County, except in connection with the delivery of health care services hereunder, or as permitted or required by law, unless such disclosure is approved in advance writing by PCM.

4.5 County's Records Available to PCM with Limitations on Disclosure. During the term of this Agreement and for a reasonable time thereafter, the County will provide PCM at PCM's request, the County's records relating to the provision of health care services to inmates as may be reasonably requested by PCM or as are pertinent to the investigation or defense of any claim related to PCM's conduct. Consistent with applicable law, the County will make available to PCM such records as are maintained by the County, hospitals and other outside health care providers involved in the care or treatment of inmates (to the extent the County has any control over those records) as PCM may reasonably request. Any such information provided by the County to PCM that the County considers confidential shall be kept confidential by PCM and shall not, except as may be required by law, be distributed to any third party without the prior written approval of the County.

4.6 HIPAA Compliance. PCM shall comply with all Health Insurance Portability and Accountability Act of 1996 (HIPAA) requirements relating to PCM in the provision of health care services under this Agreement.

ARTICLE V: SECURITY

5.1 General. PCM and the Warden understand that adequate security services are necessary for the safety of the agents, employees and subcontractors of PCM as well as for the security of inmates and Warden's staff, consistent with the correctional setting. The Warden will provide sufficient security to enable PCM to safely and adequately provide the health care services described in this Agreement. Nothing herein shall be construed to make the Warden, his deputies or employees a guarantor of the safety of PCM employees, agents or subcontractors, including their employees.

5.2 Loss of Equipment and Supplies. The County shall not be liable for loss of or damage to equipment and supplies of PCM, its agents, employees or subcontractors unless such loss or damage was caused by the negligence of the County or his employees.

5.3 Security During Transportation Off-Site. The Warden will provide security as necessary and appropriate in connection with the transportation of any inmate between the Facility and any other location for off-site services as contemplated herein.

ARTICLE VI: OFFICE SPACE, EQUIPMENT, INVENTORY AND SUPPLIES

6.1 General. The County agrees to provide PCM with office spaces, facilities, equipment, utilities (including all local telephone costs, but excluding long distance telephone costs which PCM shall reimburse monthly to the County). The County will provide necessary maintenance and housekeeping of the office space and facilities. PCM agrees it has inspected the Facility and various medical office spaces and facilities and that such spaces and facilities are sufficient for its agents, employees and subcontractors to perform all of the obligations required under this Agreement. County shall be responsible for providing substitute space should the designated facilities become unsafe for any reason.

6.2 Delivery of Possession. The Warden will continue to provide to PCM, beginning on the date of commencement of this Agreement, possession and control of all County medical and office equipment and supplies in place at the Facility's health care unit. At the termination of this or any subsequent Agreement, PCM will return to the Warden possession and control of all supplies, medical and office equipment, in working order, reasonable wear and tear excepted, which were in place at the Facility's health care unit prior to the commencement of services under this Agreement.

6.3 Maintenance and Replenishment. PCM shall maintain all County equipment necessary for the performance of this contract by PCM in working order during the term of this Agreement. If PCM requires additional equipment and instruments during the term of this Agreement, the responsibility for the cost of such additional equipment shall be negotiated by the parties. If the parties are unable to agree, PCM shall make reasonable arrangements to access such equipment and the County shall pay the costs associated therewith.

6.4 General Maintenance Services. The County will provide for each inmate receiving health care services the same services and facilities provided by the County for all inmates at the Facility including, but not limited to, daily housekeeping services, dietary services, building maintenance services, personal hygiene supplies and services, and linen supplies.

ARTICLE VII: TERM AND TERMINATION OF AGREEMENT

7.1 Term. This Agreement shall commence at 12:01 am on October 1, 2006. The initial term of this Agreement shall be through midnight on September 30, 2009 and may be extended at the County's sole discretion for two (2) additional one (1) year terms. The County must notify PCM of its intent to extend no later than sixty (60) days prior to the end of the then current term.

7.2 Termination. This Agreement may be terminated as otherwise provided in this Agreement or as follows:

- (a) Termination by Agreement. In the event that each of the parties mutually agrees in writing, this Agreement may be terminated on the terms and date stipulated therein.
- (b) Termination by Cancellation. This Agreement may be cancelled without cause by either party upon six (6) months prior written notice in accordance with Section 10.3 of this Agreement.
- (c) Annual Appropriations and Funding. This Agreement may be subject to the annual appropriation of funds by a funding authority other than the County. Notwithstanding any provision herein to the contrary, if funds are not appropriated for this Agreement, then the County shall be entitled to immediately terminate this Agreement, without penalty or liability.
- (d) Prior to either party exercising their right to terminate this agreement for default, the party alleging the default shall provide written notice to the alleged defaulting party, stating in detail the events of default and what is needed to cure the default. Thirty (30) days shall be allowed for the alleged defaulting party to cure. If the alleged default is not cured within the period, the party alleging default may proceed to exercise their right to terminate for default.

7.3 Responsibility for Inmate Health Care. Upon termination of this Agreement, all responsibility for providing health care services to all inmates, including inmates receiving health care services at sites outside the Facility will be transferred from PCM to the County.

ARTICLE VIII: COMPENSATION

8.1 Base Compensation. For the first contract year the County will pay to PCM the annual base price of \$5,414,995.00. This base price shall be paid in equal monthly installments of \$451,249.58 each. PCM will invoice the County thirty (30) days prior to the month in which services are to be provided. The County agrees to pay PCM on or before the first day of the month in which services are rendered. In the event this Agreement should commence or terminate on a date other than the first or last day of any calendar month, compensation to PCM will be prorated accordingly for the shortened month. Adjustments for population variances will be applied to the subsequent month's invoice. Compensation shall increase each year by 4% as outlined in Section 6, Page 1 of the Technical and Pricing Proposal dated July 10, 2006.

8.2 Increases in Inmate Population. The parties agree that the first contract year base price is calculated based upon an average daily inmate population of up to 2,300. If the daily inmate population exceeds 2,300 inmates, then the compensation payable to PCM by the County shall be increased by a per diem rate of \$1.59 for each inmate over 2,300. The average daily inmate resident population shall be determined and recorded by the Warden. The Warden shall regularly provide this information to PCM. Conversely, should the population drop below 2,200

average in any given month, the County shall be due a credit of \$1.59 per day for each inmate under 2,200.

8.3 Inmates from Other Jurisdictions. Medical care rendered within the Facility to inmates from other jurisdictions housed in the Facility pursuant to contracts between the County and such other jurisdictions will be the responsibility of PCM, as limited by Sections 1.4 and 1.7. PCM will arrange medical care that cannot be rendered in the Facility, but PCM shall have no financial responsibility for such services rendered outside the Facility.

8.4 Changes in the Law. If any statute, rule or regulation is passed or any order issued or any statute or guideline adopted materially increasing the cost to PCM of providing health care services hereunder, PCM and the County will agree on additional compensation to be paid by the County to PCM as a result of such changes, provided, however, that if the parties are unable to agree on appropriate compensation, either party may terminate this agreement with thirty (30) days advance written notice.

ARTICLE IX: LIABILITY AND RISK MANAGEMENT

9.1 Insurance. At all times during this Agreement, PCM shall maintain professional liability insurance covering PCM, its employees and its officers in the minimum amount of at least one million dollars (\$1,000,000) per occurrence and three million dollars (\$3,000,000) in the aggregate. PCM shall provide coverage for their physician(s) that meets the standards for the Commonwealth of Pennsylvania M-Care Fund. PCM shall also maintain commercial general liability insurance in the minimum amount of at least one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) in the aggregate. In the event that the coverage changes, PCM shall notify the County in writing. PCM shall also notify the County, in writing, of any reduction in policy amounts or cancellation of insurance coverage.

9.2 Lawsuits Against the County. In the event that any lawsuit (whether frivolous or otherwise) is filed against either the County, its employees, its elected officials, employees and agents based on or containing allegations concerning medical care of inmates or on the performance of PCM's employees, agents, subcontractors or assignees, the parties agree that PCM, its employees, agents, subcontractors, assignees or independent contractors, as the case may be, may be joined as parties defendant in any such lawsuit and shall be responsible for their own defense and any judgments rendered against them. Nothing herein shall prohibit any of the parties to this Agreement from joining the remaining parties hereto as defendants in lawsuits filed by third parties.

9.3 Hold Harmless. PCM agrees to indemnify and hold harmless the County, its agents, servants and employees from any and all claims, actions, lawsuits, damages, judgments or liabilities of any kind whatsoever arising out of the operation and maintenance of the aforesaid program of health care services as conducted by PCM employees or agents, it being the express understanding of the parties hereto that PCM shall provide the actual health care services, and have complete responsibility for such health care services provided by its employees or agents and any lawsuit arising solely out of such delivery of health care. The County shall immediately notify PCM of any incident, claim or lawsuit of which the County becomes aware and shall fully cooperate in the defense of such claim, but PCM shall retain sole control of the defense while the

action is pending. County shall have the right to control the defense of actions where conduct is alleged against the County that is separate and distinct from the conduct of PCM.

The County does hereby agree to indemnify and hold harmless PCM its agents, servants, employees and medical staff from any and all injuries, claims, actions, lawsuits, damages, judgments or liabilities of any kind whatsoever arising out of the operation and maintenance of the Facility, County's obligations arising out of this Agreement, the custody of inmates and all provisions for the physical security of all such PCM personnel, except as would relate to any injury, claim action, lawsuit, damage, judgment or liability caused by or contributed to by the negligence of PCM, its agents, servants, employees or medical staff to the extent of such negligence.

ARTICLE X: MISCELLANEOUS

10.1 Independent Contractor Status. The parties acknowledge that PCM is an independent contractor. Nothing in this Agreement is intended nor shall be construed to create an agency relationship, an employer/employee relationship, or a joint venture relationship among the parties.

10.2 Assignment and Subcontracting. PCM shall not assign this Agreement to any other corporation without the express written consent of the County which consents shall not be unreasonably withheld. Any such assignment or subcontract shall include the obligations contained in this Agreement. Any assignment or subcontract shall not relieve PCM of its independent obligation to provide the services and be bound by the requirements of this Agreement.

10.3 Notice. Unless otherwise provided herein, all notices or other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if sent by certified mail, return receipt requested, postage prepaid, and addressed to the appropriate party at the following address or to any other person at any other address as may be designated in writing by the parties:

(a) County Administrator/Chief Clerk
 The County of York
 28 East Market Street, 2nd Floor
 York, PA 17401

With a copy to:
Warden
York County Prison
3400 Concord Road
York, PA 17402

(b) PCM Carl A. Hoffman, Jr., D.O., CCHP, President
 PrimeCare Medical, Inc.
 3940 Locust Lane
 Harrisburg, PA 17109

Notices shall be effective upon receipt.

10.4 Governing Law. This Agreement and the rights and obligations of the parties hereto shall be governed by, and construed according to, the laws of the State of Pennsylvania, except as specifically noted.

10.5 Entire Agreement. This Agreement constitutes the entire agreement of the parties and is intended as a complete and exclusive statement of the promises, representations, negotiations, discussions and agreements that have been made in connection with the subject matter hereof. No modifications or amendments to this Agreement shall be binding upon the parties unless the same is in writing and signed by the respective parties hereto. All prior negotiations, agreements and understandings with respect to the subject matter of this Agreement are superseded hereby. The terms and conditions of this Agreement shall control over any terms and conditions in any solicitation, request for proposal, proposal, purchase order, acknowledgment, or other written form. Any conflict between this Agreement and the documents incorporated herein shall be resolved according to the following order of preference: 1) this Agreement, 2) the Proposal, 3) the RFP.

10.6 Amendment. This Agreement may be amended or revised only in writing and signed by all parties.

10.7 Waiver of Breach. The waiver by either party of a breach or violation of any provision of this Agreement shall not operate as, or be construed to be, a waiver of any subsequent breach of the same or other provision hereof.

10.8 Other Contracts and Third-Party Beneficiaries. The parties agree that the County shall take all reasonable steps necessary to insure availability of third party reimbursement. The parties agree that they have not entered into this Agreement for the benefit of any third person or persons, and it is their express intention that the Agreement is intended to be for their respective benefit only and not for the benefit of others who might otherwise be deemed to constitute third-party beneficiaries hereof.

10.9 Severability. In the event any provision of this Agreement is held to be unenforceable for any reason, the unenforceability thereof shall not affect the remainder of the Agreement, which shall remain in full force and effect and enforceable in accordance with its terms.

10.10 Force Majeure. Neither party shall be held responsible for any delay or failure in performance (other than payment obligations) to the extent that such delay or failure is caused by fire, flood, hurricane, explosion, war, strike, labor action, terrorism, embargo, government regulation, riot, civil or military authority, act of God, acts or omissions of carriers or other similar causes beyond its control.

10.11 Trial Duty. In the event PCM's personnel are required to devote time with regard to litigation or threatened litigation by or on behalf of County this shall be part of their service time pursuant to this agreement. County shall be responsible for reasonable costs of substitute

personnel to fill positions, which would be vacant due to such court or trial appearance requirements.

10.12 Performance Guaranty. To assure performance of the Agreement, PCM shall provide to the County on the date of the execution hereof and, thereafter, on the anniversary date of this Agreement, a bond in an amount equal to 25% of the sum due PCM under the terms of this Agreement for that year. In lieu of such bond, PCM may authorize the County to retain one monthly payment as a guarantee of performance of this Agreement. This sum shall be paid to PCM upon the successful performance and completion of the term of this Agreement and extensions thereto.

INWITNESS WHEREOF, the parties have executed this Agreement in their official capacities with legal authority to do so.

COUNTY

By: Lori O. Mitnick
Lori O. Mitnick, Pres Comm.

Date: 9-20-06

PRIMECARE MEDICAL, INC.

By: Carl A. Hoffman, Jr.
Carl A. Hoffman, Jr., D.O., CCHP
President

Date: Sept 21, 2006

ATTEST:

CRN
Charles R. Noll, Admin. / Chief Clerk

Date: 9-20-06

ATTEST:

Richard C. Smith, MS, CCHP
Richard C. Smith, MS, CCHP
Date: September 21, 2006

SEAL:

November 21, 2007

Warden Thomas Hogan
York County Prison
3400 Concord Road
York, PA 17402

**RE: York County Prison Preliminary Revisions to Medical Services
Contract with PrimeCare Medical, Inc. for the Psychiatric LPN**

Dear Warden Hogan,

Thank you for the phone conversation on November 21, 2007 with Todd Haskins, PrimeCare Medical, Inc. Vice President of Operations. Per your request, please find below our Preliminary Pricing Analysis for the York County Prison (YCP) for the additional Psychiatric LPN. The changes to the staffing include:

- Adding forty (40) hours (1 FTE) of Psychiatric Nursing Services on Second Shift (Monday through Friday)

Summary of Expenses

HSA & Line Staff	\$56,883.59
Other Added Costs (Medical Operating Cost, Corp Overhead, Professional Liability Insurance, Legal Fees, Equipment)	\$6,907.79
Grand Total	\$63,791.38

York County Prison
Preliminary Pricing Analysis for Additional Psychiatric LPN
Page 2 of 2

If you are in agreement, please sign below and return a copy of this letter and PrimeCare Medical shall take immediate action to forward an amended Medical Services Contract for York County Prison.

If you have any additional questions please do not hesitate to contact Todd Haskins or myself.

Sincerely,



Francis J. Komykoski, MBA, CCHP
Vice President of Operations



York County Prison

Steve Chremister

Printed Name

12/13/07

Date

FJK/anw
Enclosure

CC: Carl A. Hoffman, Jr., D.O., CCHP, President and Corporate Medical Director
Theresa Marie Hoffman, Executive Vice President
Joshua D. Lock, Esquire, Vice President and Corporate Counsel
Todd W. Haskins, RN, CCHP, Vice President of Operations
Derek G. Hughes, B.S., CCHP, Director of Operations

AMENDMENT TO COMPREHENSIVE HEALTH SERVICES AGREEMENT

THIS AMENDMENT TO COMPREHENSIVE HEALTH SERVICES AGREEMENT, by and between the County of York, Pennsylvania (hereinafter, "County") and PrimeCare Medical, Inc., a Pennsylvania-domiciled professional corporation with offices at 3940 Locust Lane, Harrisburg, Pennsylvania 17109 (hereinafter, "PrimeCare" or "Company").

WITNESSETH:

WHEREAS, the County is legally responsible for obtaining and providing medical care for inmates and detainees in the custody and subject to the jurisdiction of the York County Prison (hereinafter, "Facility") which meets the constitutional standard under the Eighth and Fourteenth Amendments to the United States Constitution; and

WHEREAS, Company is in the business of providing health care services to the inmate populations at various correctional facilities in a four state area; and

WHEREAS, the parties entered into a Comprehensive Health Services Agreement as of October 1, 2006 (hereinafter, "Underlying Agreement"); and

WHEREAS, the parties desire to effect certain changes to that Agreement; and

WHEREAS, ARTICLE X: MISCELLANEOUS, Paragraph 10.6 Amendment of said Agreement states: This Agreement may be amended or revised only in writing and signed by all parties.

NOW, THEREFORE, in consideration of the covenants and promises hereinafter set forth, and for other valuable consideration, and intending to become legally bound thereby, the parties agree as follows:

1. Expansion of Staffing Hours: Section 3, page 3 of the Medical Services Proposal relating to staffing coverage, is amended to include:
 - a. Psychiatric Nursing Services. Add forty (40) hours (1.0 FTE) on 2nd Shift (Monday through Friday).
2. Increase in Compensation. In order to provide such additional hours, Company shall be compensated in the amount of \$63,791.38 annually, or \$5,315.95 monthly, in addition to the amounts set forth at ARTICLE VIII: COMPENSATION, paragraph 8.1 Base Compensation of the Underlying Agreement.

Forty (40) hours (1.0 FTE) of Psychiatric Nursing Services on 2nd Shift (M-F)

Summary of Expenses			
Position	Additional Hrs	Monthly	Annually
Health Services Administrator & Line Staff	40.0 (2 nd Shift M-F)	\$4,740.30	\$56,883.59
Other Added Costs:			
Medical Operating Cost			
Corporate Overhead			
Professional Liability Insurance		\$575.65	\$6,907.79
Legal Fees			
Equipment			
TOTAL	40.0 (1.0 FTE)	\$5,315.95	\$63,791.38

3. **Effective Date of Amendment.** All covenants contained in this Amendment shall take effect on January ___, 2008.
4. **All Other Provisions Unaffected.** All other provisions of the Underlying Agreement, not inconsistent with this Amendment, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Agreement in their official capacities with legal authority to do so.

COUNTY

By: 

Date: 2/12/08

ATTEST:

Vickie Glatfelter

Date: 2/12/08

PRIMECARE MEDICAL, INC.

By: 

Carl A. Hoffman, Jr., D.O., CCHP
President

Date: Jan 31, 2008

ATTEST:

Carl A. Hoffman

Date: 3/3/08

SEAL:

AMENDMENT TO COMPREHENSIVE HEALTH SERVICES AGREEMENT

THIS AMENDMENT TO COMPREHENSIVE HEALTH SERVICES AGREEMENT, by and between the County of York, Pennsylvania (hereinafter, "County") and PrimeCare Medical, Inc., a Pennsylvania-domiciled professional corporation with offices at 3940 Locust Lane, Harrisburg, Pennsylvania 17109 (hereinafter, "PrimeCare" or "Company").

WITNESSETH:

WHEREAS, the County is legally responsible for obtaining and providing medical care for inmates and detainees in the custody and subject to the jurisdiction of the York County Prison (hereinafter, "Facility") which meets the constitutional standard under the Eighth and Fourteenth Amendments to the United States Constitution; and

WHEREAS, Company is in the business of providing health care services to the inmate populations at various correctional facilities in a three state area; and

WHEREAS, the parties entered into a Comprehensive Health Services Agreement as of October 1, 2006 (hereinafter, "Underlying Agreement"); and

WHEREAS, the parties desire to effect certain changes to that Agreement; and

WHEREAS, ARTICLE X: MISCELLANEOUS , Paragraph 10.6 Amendment of said Agreement states: This Agreement may be amended or revised only in writing and signed by all parties.

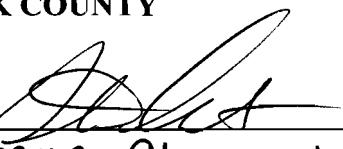
NOW, THEREFORE, in consideration of the covenants and promises hereinafter set forth, and for other valuable consideration, and intending to become legally bound thereby, the parties agree as follows:

1. Term of Agreement. In accordance with Article VII, Paragraph 7.1 of the Underlying Agreement, County and Company desire to extend the term of the Agreement for the final additional one (1) year option, which shall expire on September 30, 2011.
2. Increase in Compensation. County and Company agree that annual base compensation due to Company for the above referenced term of the Agreement shall be increased by three and one half percent (3.5%) of current annual charges.
3. Effective Date of Amendment. All covenants contained in this Amendment shall take effect on October 1, 2010.

4. All Other Provisions Unaffected. All other provisions of the Underlying Agreement, not inconsistent with this Amendment, shall remain in full force and effect.

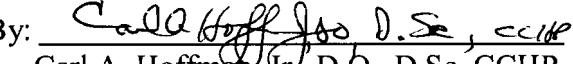
IN WITNESS WHEREOF, the parties have executed this Agreement in their official capacities with legal authority to do so.

YORK COUNTY

By: 
Steve Chronister
President Commissioner

Date: 9-8-10

PRIMECARE MEDICAL, INC.

By: 
Carl A. Hoffman, Jr., D.O., D.Sc, CCHP
President

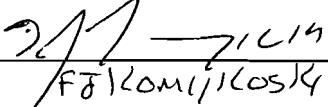
Date: 9/20/10

ATTEST:


Charles Noll, Admin. / Chief Clerk

Date: 9-8-10

ATTEST:


F. J. Comi, COS/K UPOB FCM

Date: 20-8-10

SEAL:

COMPREHENSIVE HEALTH SERVICES AGREEMENT

(Extension of the Health Services Agreement of 10/01/06)

THIS AGREEMENT is entered into between the County of York, Commonwealth of Pennsylvania (hereinafter, "County") and PrimeCare Medical, Inc., a Pennsylvania professional Corporation with offices located at 3940 Locust Lane, Harrisburg, Pennsylvania 17109 (hereinafter, "Company").

WITNESSETH:

WHEREAS, the County is charged pursuant to federal and state law with the responsibility for providing comprehensive health care services for all persons committed to the care, custody and control of the York County Prison (hereinafter, "Facility"); and

WHEREAS, the County's goal is to operate a health care program in accordance with applicable law and the standards established by the National Commission on Correctional Health Care (NCCHC) and maintain NCCHC accreditation for the term of the Agreement; and

WHEREAS, Company is in business solely to provide health care services, through properly licensed employees and independent professionals, to inmates/patients in prisons, jails and juvenile detention centers; and

WHEREAS, Company has been providing such services at Facility for the past five (5) years and desires to continue to do so; and

WHEREAS, County desires to accept that offer, as detailed hereinafter.

NOW, THEREFORE, in consideration of the covenants and promises set forth below and for other valuable consideration, and intending to become legally bound thereby, the parties agree as follows:

1. **Scope of Services.** Company agrees to provide mental health, dental, medical and related health care services to the inmate/patient population at the Facility in accordance with the existing Health Services Agreement, of October 1, 2006 and the Technical and Pricing Proposal, dated July 10, 2006 (hereinafter, "Underlying Agreement"), except as noted below and/or as modified in this Agreement.
2. **Effective Date and Term of Agreement.** The effective date of this Agreement shall be October 1, 2011. The term of the Agreement shall be for a period of one (1) year, concluding on September 30, 2012. There shall be four (4) additional one (1) year option periods, concluding on September 30, 2013, September 30, 2014, September 30, 2015, and September 30, 2016 respectively, as mutually agreed upon by the parties in writing. This Agreement may be terminated sooner than this date only in accordance with the provisions of the Underlying Agreement.
3. **Limitations on Catastrophic Liability.** As set forth herein, the County shall share in the cost of medical treatment as a result of catastrophic situations, as follows:

- a) Company shall be liable only up to the amount of \$18,000.00 for illness or injury per single inmate/patient and \$50,000.00 in the aggregate for any contagious illness or injury affecting more than one (1) inmate/patient arising from the same occurrence. These limits shall be applicable for 365 days following incurring of initial costs.
- b) Company shall be liable only for the first \$150,000.00 per contract year for all medications, treatments, and diagnostic testing relating to treatment for HIV and Acquired Immuno-Deficiency Syndrome (AIDS); Hepatitis A, B, or C; or other infectious diseases, provided to the total inmate/patient population per contract year.

4. **Compensation For Services.**

Contract Year	Annual Contract Price	Monthly	Yearly Increase	% Increase	ADP	Per Diem
01 Oct 11 – 30 Sep 12	\$6,183,085.61	\$515,257.13	\$121,236.97	2.00%	2300	\$2.25
01 Oct 12 – 30 Sep 13	Medical CPI not to exceed three percent (3%)				2350	\$2.25
01 Oct 13 – 30 Sep 14	Medical CPI not to exceed three percent (3%)				2400	\$2.25
01 Oct 14 – 30 Sep 15	Medical CPI not to exceed three percent (3%)				2450	\$2.25
01 Oct 15 – 30 Sep 16	Medical CPI not to exceed three percent (3%)				2500	\$2.25

The above contract pricing for Year #1 of this Agreement is based upon a two (2.00%) percent increase of the current annual fee to the County. In years #2 - #5 of this Agreement, annual increases in Compensation shall be adjusted by the January Cost-of-Living Index for the U.S. City Average of Medical Care Services as published by the United States Department of Labor, but not exceed a three (3.00%) percent increase per year.

- 5. **Final Agreement of the Parties.** This writing incorporates, by reference as if fully set forth within, the provisions of the Underlying Agreement, except as expressly stated in this Agreement. No modification of this Agreement shall be binding upon the parties hereto unless in writing and signed by both parties.
- 6. **Assignment.** This Agreement may be assigned by Company only with the approval of County. It shall inure to the benefit of any successors and/or heirs of Company.

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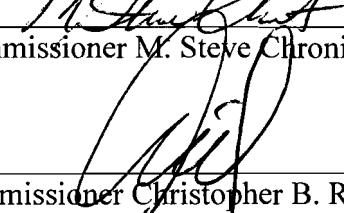
IN WITNESS WHEREOF, and intending to be legally bound hereby, the following have caused these presents to be executed by the Board of Commissioners of York County, Pennsylvania and the President of Company on the day and year below written.

YORK COUNTY


Attest

7/27/11
Date

BY: 
Commissioner M. Steve Chronister

BY: 
Commissioner Christopher B. Reilly

BY: 
Commissioner Doug Hoke

PRIMECARE MEDICAL, INC.

2011-1010
Attest

BY: 
Carl A. Hoffman, Jr., D.O., D.Sc., CCHP
President and Corporate Medical Director

2011-1010
Date

Corporate Seal: